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DEC 15 1952

Chief, Finance Division

Deputy Comptroller

Accounting for Disbursements Made Under Authority Contained in  
P L 110

1. The present principles of accounting in effect in the Finance Division provide that all costs of operations chargeable to covert allotments are charged in the allotment ledgers of the Finance Division regardless of whether the disbursements are made by the Fiscal Division or the Finance Division. This procedure is required to centralize costs in one place and to effect allotment control.

2. However, in view of the special authorization granted to the DCI to expend appropriated funds solely on his certificate that the expenditures were for confidential, extraordinary, or emergency purposes, it is necessary that the accounts be so organized as to provide any analysis of sums expended under this authority. Because the allotment ledgers contain charges for payments made by the Fiscal Division, a run of current-year expenses by purpose and object would not give a picture of the usage of funds expended under the Director's special authority.

3. Rather than duplicate or materially change present accounts it is possible to readily have such desired information in the existing IBM punched cards by "X" punching those transactions reflecting disbursements made by the Fiscal Division chargeable to covert allotments. In this manner the "X" punched cards could be removed by machines and the remaining cards constitute the basis for a schedule of funds expended under the DCI special authorization.

4. It is requested that the Machine Records Unit print a tabulation of every entry made to General Ledger Account 423 since its inception (1 July 1953). From this listing the entries representing payments made by the Fiscal Division can be readily determined by voucher number. Pull the related vouchers from the file to ascertain the contra entries to the account 423. Prepare a listing of the contra entries by sufficient information to enable the Machine Records Unit to pull the corresponding punched cards. On the cards pulled, punch an "X" in the column for the first digit of the General Ledger account number. This "X" will then denote that the entry represents an expenditure by the Fiscal Division.

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5. Subsequent to the establishment of the "X" punching for all entries to date as shown in paragraph 4 above, all cards punched daily from vouchers evidencing payments made by the Fiscal Division on behalf of covert allotments will be "X" punched in a like manner (that is, over the column for the first digit of the General Ledger account number).

6. After cards representing payments made by the Fiscal Division have been "X" punched in accordance with the foregoing, appropriate mechanism will have been established whereby it will be possible to segregate such cards from the remaining cards so that reports can be devised to show expenditures made under the special authority granted the DCI by P. L. 110. Such reports of expenditures by allotment account, object classification, or other desired form will be prepared only on the basis of specific request from the Office of the Comptroller.

7. This procedure has been discussed informally with representatives of the Finance Division and the Machine Records Unit and they are in accord.

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*Joe*  
  
C.C. Shp. Comptroller

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